Dining Facility Inventory Management

- *IAW DA Pam 30-22, Operation Procedures for The Army Food Program, Paragraph 3-24.*

- *a. Inventory criteria.* Dining facility inventory levels will be maintained using the following criteria:

- (1) The total dollar value of the monthly inventory (perishable and semi-perishable) will not exceed the total dollar value of dining facility earnings for a 6-day average period. The dollar value of earnings will be determined by using the previous months average daily earnings multiplied by six. If the dining facility was closed for an extended period, use the average daily earnings for last month that the facility was open.

- (2) The FPM will authorize in writing all adjustments to the inventory level policy through The Army Center of Excellence, Subsistence.

Dining Facility Inventory Management

Inventory Objective Value

- Last Month's Earnings:
  $100,000.00
- Divide by Last Month's.
  Number of Operational Days:
  27
- Equals (Average Daily Earnings): $ 3,704.00
- Times Target Days of Inventory: X 6
- Inventory Objective. $22,224.00

Dining Facility Inventory Management

Surplus Inventory Value

- Last Month's Ending Inventory: $31,000.00
- Minus Inventory Objective Value: $22,224.00
- Equals Surplus Inventory Value: $ 8,776.00
- These dollars can be better utilized.
- Basic Business principles money on the shelf or money in the bank.

Dining Facility Inventory Management

Surplus Inventory

"A bird in ~~hand is worth~~ two in the bush."

➔***"Order what we need, when we need it."***

➔***Let the Prime Vendor keep the warehouse, not us!***

- ✓***Promotes Waste***
- ✓***ion***
- ✓***Space***
- ✓
- ✓***Pilferag***

- ➢***MPA***
- ➢***Pay, Not Beans***

Dining Facility Inventory Management

Reducing Surplus Inventory

- Do it over a period of time.
  - Don’t start running out of food.
  - Must first establish good menu planning, ordering and inventory control procedures (Manage your way out of it!).

- ***First Step: Establish a Cycle Menu***
  - ***The Menu is the central management document around which the whole food service operation revolves.***
  - ***A Cycle Menu is repeated after a set amount of time.***
  - ***i.e. Accounting Period – 1 Month.***

Dining Facility Inventory Management

Inventory Control

- Date all food items with date received.
- Verify orders upon receipt with order you generated from AFMIS for accuracy.
- Check ration storage areas on a routine basis to determine if rations are being used in a timely manner.
  - SPV ordering sizes too big.
  - Be careful about reducing Prime Vendor Package sizes ($$$=Distribution Fees).
  - Utilize dining facility transfers for case pack items when possible.

Dining Facility Inventory Management

Inventory Control

- Use the AFMIS transaction register report to track food items over a menu cycle or month's time.
  - Start tracking next month.
  - Use:
    - Monthly Inventories.
    - Weekly inventories.
    - SPV Receipts.
    - Kitchen Requisitions.

Dining Facility Inventory Management

Ordering & Inventory Control

- Prior to ordering rations, check:
  - BOH – Stockage level report in AFMIS (currently in the DFAC), establish Par Stock Levels.

    Physically check items of uncertainty.
  - Due-ins - (foods already ordered and scheduled to be delivered).
  - Projected Use – food items programmed for use on the production schedules for that period.
- All of the items mentioned above are on the AFMIS Order Worksheet Report and Stockage Level Report.
- Review orders before they are sent; check the units of issue and quantities.

Dining Facility Inventory Management

Ordering & Inventory Control

Item	On-Hand	Due-In	Projected Use	Projected On-Hand	Order
Bacon	90 lb	40 lb	60 lb	70 lb	0
French Fries	250 lb	0	300 lb	-50 lb	50 lb
W Milk, Bulk	2 cont	2 cont	3 cont	1 cont	1 cont

Basic Formula = On-Hand plus Due-In minus Projected Use equals Projected On-Hand. If Projected On-Hand is a negative number, you have to order this item in the quantity stated.

Dining Facility Inventory Management

Ordering & Inventory Control

Item	On-Hand Start date	Issue Date Item Cost	Projected Use	Projected liquidation date	Inventory Decrease amount
Cranberry Sauce	40 /#2.5 cns 01 May 07	15 Nov 06 $2.50	10cns /week	01 June 07	$100.00
Chocolate Pudding	24 /#10 cns 01 May 07	23 Jan o7 $6.70	6 cns /week	01 June 07	$160.80

Dining Facility Inventory Management

Inventory Control

- Review stockage level report against production schedules for :
  - Actual use vs. Projected use.
  - Were your projections correct based on portions prepared?
  - Adjust portions to prepare on the production schedules to the historical actual portions used.
- Conduct and track weekly/monthly inventories
  - Field residuals- do not put in inventory, incorporate into menus quickly.
  - Case pack meats not used completely for one meal not programmed for use in menus during the same week.
  - Slow or non moving items i.e. cranberry sauce, sauerkraut incorporate into menus.

Questions?